

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON

CORUS REALTY HOLDINGS, INC.)
)
Plaintiff,)
)
v.)
)
ZILLOW GROUP, INC.; ZILLOW,)
INC.; and TRULIA, LLC)
)
Defendants.)
)
)
)
)

C.A. No. 2:18-cv-00847

JURY TRIAL DEMANDED

COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff Corus Realty Holdings, Inc. (“Plaintiff” or “Corus”) allege as follows:

NATURE OF ACTION

1. This is an action under the patent laws of the United States, 35 U.S.C. § 1, et seq., for infringement by Defendants Zillow Group, Inc. (“Zillow Group”); Zillow, Inc. (“Zillow”), and Trulia, LLC (“Trulia”) (collectively, “Defendants”) of U.S. Patent No. 6,636,803 (“the ’803 patent”) owned by Corus.

THE PARTIES

2. Plaintiff Corus is a corporation organized under the laws of the State of Delaware, with its principal place of business at 1900 North Taylor Street, Arlington, VA 22207.

1 3. Upon information and belief, Zillow Group is a corporation organized under the
2 laws of the State of Washington with its principal place of business at 1301 Second Avenue,
3 Seattle, WA 98101.

4 4. Upon information and belief, Zillow is a corporation organized under the laws of
5 the State of Washington with its principal place of business at 1301 Second Avenue, Seattle, WA
6 98101. Zillow is a wholly-owned subsidiary of Zillow Group.

7 5. Upon information and belief, Trulia is a corporation organized under the laws of
8 the State of Delaware with its principal place of business at 535 Mission Street, Suite 700, San
9 Francisco, CA 94105. Trulia is a wholly-owned subsidiary of Zillow and an indirect subsidiary
10 of Zillow Group. Trulia is a successor to Trulia, Inc. Trulia, Inc. was acquired by Zillow Group
11 in February of 2015.
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14 **JURISDICTION AND VENUE**

15 6. This action arises under the patent laws of the United States, Title 35 of the
16 United States Code. Accordingly, this Court has jurisdiction over the subject matter of this
17 action pursuant to 28 U.S.C. §§ 1331 and 1338(a).

18 7. This court has general and specific personal jurisdiction over the Defendants
19 based on their purposeful, systematic, and continuous contacts with the State of Washington.
20 Defendants regularly transact business in and have committed tortious acts (including the
21 infringement described below) in this district.
22

23 8. Venue is proper in this district pursuant to 28 U.S.C. § 1400(b) because
24 Defendants have committed acts of infringement in this district and have a regular and
25 established place of business in this district. Venue over Zillow Group and Zillow is also proper
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1 in this district because both reside in the district through their incorporation in the State of
2 Washington.

3 9. Defendant Zillow Group's registered agent in Washington is CT Corporation
4 System, located at 711 Capitol Way S STE 204; Olympia, WA 98501.

5 10. Defendant Zillow's registered agent in Washington is CT Corporation System,
6 located at 711 Capitol Way S STE 204; Olympia, WA 98501.

7 11. Defendant Trulia's registered agent in Washington is CT Corporation System,
8 located at 711 Capitol Way S STE 204; Olympia, WA 98501.

9 12. Defendants conduct substantial business in the State of Washington, including (1)
10 committing at least a portion of the infringing acts alleged herein and (2) regularly transacting
11 business, soliciting business, and deriving revenue from the sale of goods and services, including
12 infringing goods and services, to individuals in the State of Washington. Thus, Defendants have
13 purposefully availed themselves of the benefits of the State of Washington, and the exercise of
14 jurisdiction over Defendants would not offend traditional notions of fair play and substantial
15 justice.

16 13. For example, Defendants operate websites and mobile applications that provide
17 real estate information and services to users within the State of Washington. Zillow Group and
18 Zillow further sell and offer to sell valuable marketing and advertising services on their website
19 and mobile applications to real estate agents in the State of Washington.

20 14. Upon information and belief, Zillow Group exercises direction and control over
21 its subsidiaries, including Zillow and Trulia, and it operates its subsidiaries and affiliated entities
22 as divisions or agents of a single enterprise. The branding used on the websites associated with
23 Zillow (www.zillow.com) and Trulia (www.trulia.com) reference and describe Zillow Group.

1 The Zillow and Trulia websites further identify Zillow and Trulia as brands owned by Zillow
2 Group. Zillow Group also consolidates its financial disclosures for the Zillow and Trulia entities
3 in its SEC filings. Zillow Group also hires employees in its Seattle office to develop and support
4 the products and services operated by its subsidiaries, such as Zillow and Trulia.

5 15. The terms of service and privacy policies for both Zillow and Trulia are
6 substantially similar and reference Zillow Group and its subsidiaries as providing the
7 applications, operation, data, and other services associated with Zillow and Trulia that include
8 the infringing products. See <https://www.trulia.com/info/terms/> and
9 <https://www.zillow.com/corp/Terms.htm>. The Terms of Use for both Zillow and Trulia further
10 indicate that the “user interfaces, design, information, data, code, products, software, graphics,
11 and all other elements” of the services, including its mobile applications and networks, are the
12 property of Zillow Group and Zillow Group grants users licenses to use the Zillow and Trulia
13 products. Defendants further share information and data collected about their products,
14 customers, and users. See <https://www.zillow.com/corp/Privacy.htm> and
15 <https://www.trulia.com/info/privacy/>.

18 **CORUS AND THE '803 PATENT**

19 16. Corus is the owner of the '803 patent entitled “Real-estate Information Search and
20 Retrieval System” that was filed on November 30, 2001. A true and correct copy of the '803
21 patent is attached as Exhibit A.

22 17. Corus was founded in 2001 as a start-up in McLean, Virginia. Corus was founded
23 with the purpose of bringing a new business model to the real estate industry that, among other
24 things, improved the technology that real estate agents used to do their business.
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1 18. One such technology was the Mobile Navigator that was developed in 2001. The
2 Mobile Navigator product was a mobile device that used location technology to identify and
3 obtain relevant information about real estate near a user's location. Corus provided the Mobile
4 Navigator for use by its clients and agents.

5 19. Corus was frequently recognized as one of the top real estate firms in the
6 Washington, D.C. area and was specifically recognized by Inc. Magazine in September 2006 for
7 its innovation with technology such as Mobile Navigator.

8 20. On October 21, 2003, the '803 patent was issued to Corus Realty LLC that was
9 doing business at the time as Corus Home Realty. Corus, as owner of Corus Realty LLC,
10 became owner of the '803 patent through termination of Corus Realty LLC corporation. Corus
11 now has all rights in the '803 patent and standing to sue for patent infringement.
12

13 21. In 2013, Corus contacted Zillow and identified the '803 patent and Corus's
14 counsel, Michael O'Shea, attended an in-person meeting with Zillow and its attorneys on
15 February 11, 2013 to discuss Zillow's infringement. At that meeting, Zillow identified a patent
16 to Mr. O'Shea that it believed was relevant prior art to the '803 patent.
17

18 22. On August 27, 2013, Corus requested that the U.S. Patent and Trademark Office
19 reexamine the '803 patent based on prior art Zillow had identified. On January 21, 2015, the
20 PTO issued a reexamination certificate that cancelled two claims and allowed 36 new or
21 amended claims as patentable.
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23 23. The '803 patent has three reexamined independent claims that claim as follows:

- 24 1. A method of generating and displaying a digital map of current market
25 information to prospective buyers about residential real-estate property
26 in a geographical area of interest on a data-enabled mobile phone
configured to obtain cellular-based location data, comprising:

27 obtaining said area of interest from the cellular-based location data;
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1 generating and displaying the digital map for viewing by said prospective
2 buyer on said data-enabled mobile phone for said area of interest;
3 obtaining current status property information for an item of property in
4 the residential real-estate market for the area of interest, wherein said
5 property information is obtained from a remote data source and a
6 database stored on said data-enabled mobile phone, wherein the current
7 status property information includes multiple listing service (MLS) data
8 comprising a location, a market price and a market status of the item of
9 property;

10 displaying a property icon on said digital map at the location of the item
11 of property, wherein the property icon refers to the item of property in
12 the residential real-estate market; and

13 displaying, upon selection of the property icon, MLS data including the
14 market price and the market status of the item of property of the
15 selected property icon.

16 14. A residential real-estate market information mobile computing device,
17 comprising:

18 a cellular-based data receiver configured to obtain cellular-based location data;

19 a map generation unit for generating a digital map covering an area of interest,
20 wherein said area of interest is obtained from the cellular-based location data;

21 a storage unit for storing property information which includes multiple listing
22 service (MLS) data comprising a location, a market price and a market status of
23 an item of property in said area of interest;

24 a processor for determining information needed to display a property icon for the
25 item of property at the location of the item of property on said digital map, and for
26 determining information needed to display property information about the item of
27 property of the property icon upon selection of the property icon, and

28 a display unit for displaying said generated digital map and the property icon, and
for displaying the property information for the item of property upon selection of
the property icon, wherein the property information comprises MLS data
including the market price and the market status of the item of property.

30. A non-transitory computer-readable medium storing a program to be implemented
in a processing unit of a mobile computing device, said computer-readable
medium including:

1 a first code section for controlling a display of a digital map covering an area of
2 interest on the mobile computing device;

3 a second code section for obtaining residential property information which includes
4 multiple listing service (MLS) data comprising a location, a market price and a
5 market status of an item of property in said area of interest, wherein said property
6 information is obtained from a remote data source and stored in a database on the
7 mobile computing device;

8 a third code section for displaying a property icon at the location of the item of
9 property on said digital map, wherein the property icon refers to the item of
10 property;

11 a fourth code section for displaying upon selection of the property icon MLS data
12 including the market price and the market status of the item of property of the
13 selected property icon;

14 a fifth code section for receiving cellular-based location data of a current location of
15 the mobile computing device in said area of interest; and

16 a sixth code section for generating said digital map from the current location data
17 received in said sixth code section.

18 24. The invention described and claimed in the '803 patent is a tangible and
19 unconventional improvement of the technology and methods available to real estate agents
20 before 2001. The inventors sought to improve existing computer technology used by real estate
21 agents (*e.g.*, MLS databases) by integrating it with methods of locating a user and properties on a
22 digital map. The integral combination of technology such as MLS databases, mobile devices,
23 digital maps, and location information allowed users to provide information to clients in real
24 time and more effectively provide their services. The invention improved existing real-estate
25 technology by providing a new way to locate and acquire information about property that was
26 portable, easier to use, and faster for buyers.

27 25. Prior to the filing date of the '803 patent, real estate agents for a given market
28 engaged in an antiquated process of meeting with clients to identify characteristics of properties

1 the buyer was interested in, searching for properties using an MLS database, determining the
2 location of properties, and meeting with their client again to visit those properties. The
3 invention described and claimed in the '803 patent provides a unique method and tool that
4 substantially improves upon then existing technologies and methods of searching for real estate.
5

6 26. The invention claimed in the '803 patent combines specific components and types
7 of data (*e.g.*, mobile phones, cellular-based location data, MLS data, remote data sources, digital
8 maps, position icons, and displays) to create a technological solution for the problem of
9 providing real estate information to clients. The resulting invention made the residential real
10 estate process more efficient and even allowed buyers to search and navigate properties with
11 minimal, if any, input from real estate agents.
12

13 27. The inventive combination achieves the improved efficiency through multiple
14 means. The invention allows its users to visualize a given area of interest on a digital map and to
15 display icons and property information on that map through one portable unit. The invention
16 transforms raw data such as property information and location from MLS data into a specific
17 user-friendly format displayed on a mobile device in the form of a digital map with icons.
18 Further still, one embodiment of the invention utilizes both remote and local data storage to
19 provide portable information about real estate to users that can be easily updated in real time.
20 The result of the invention allows users to quickly obtain real-estate information, visit properties,
21 and obtain details about properties even if the buyer or agent were not familiar with an area.
22

23 **GENERAL ALLEGATIONS**

24 28. Zillow Group claims to operate “the leading real estate and home-related
25 information marketplaces on mobile and the web” through “industry-leading mobile applications
26 and websites.” Zillow Group, Inc., 2017 ANNUAL REPORT ON FORM 10-K, p. 3 (2018) *available*
27
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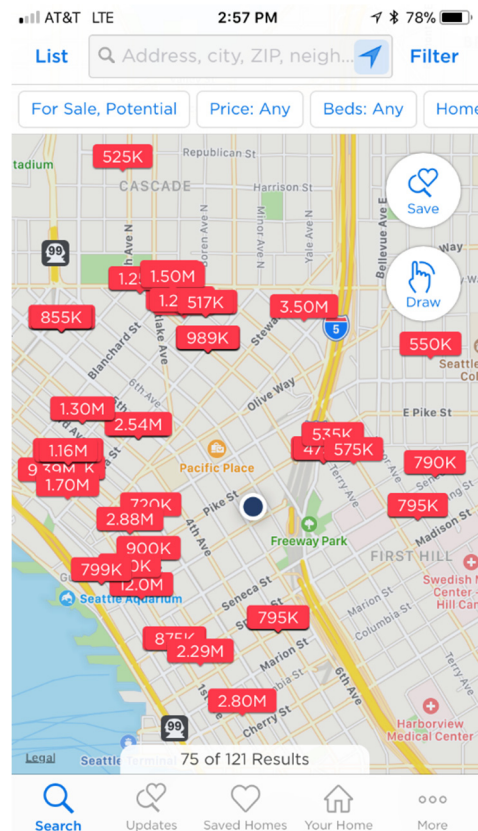
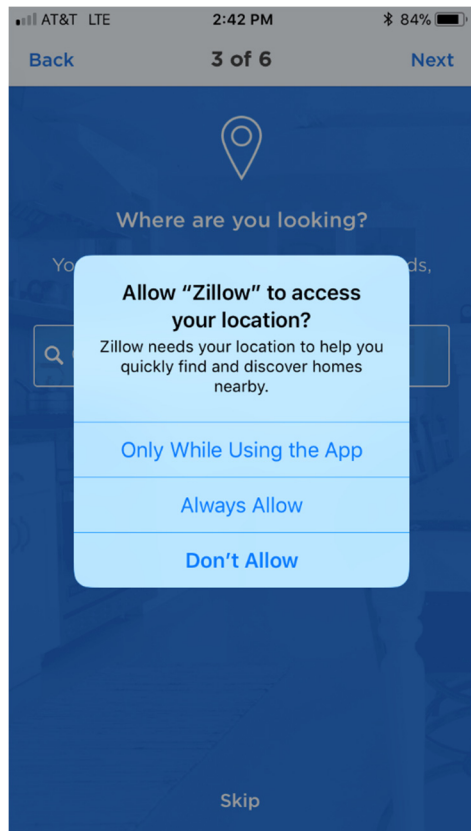
1 at <http://investors.zillowgroup.com/annuals-proxies.cfm> (“2017 ZILLOW ANNUAL REPORT”).

2 The Zillow Group through its various applications, including those operated by Zillow and
3 Trulia, claims to have a database of more than 110 million homes across the United States and
4 provide updated information to users on more than 75 million homes that include among other
5 things listing information and sales data.
6

7 29. The Zillow Group provides multiple mobile applications through Zillow, Trulia,
8 and its other subsidiaries that provide residential real estate information to its users by displaying
9 a digital map with market information with a particular geographical area of interest to a user.
10 The mobile applications are used by the public extensively. For example, in 2017 two-thirds of
11 the usage of its flagship Zillow Brand came from usage on mobile applications. 2017 ZILLOW
12 ANNUAL REPORT, p. 3.
13

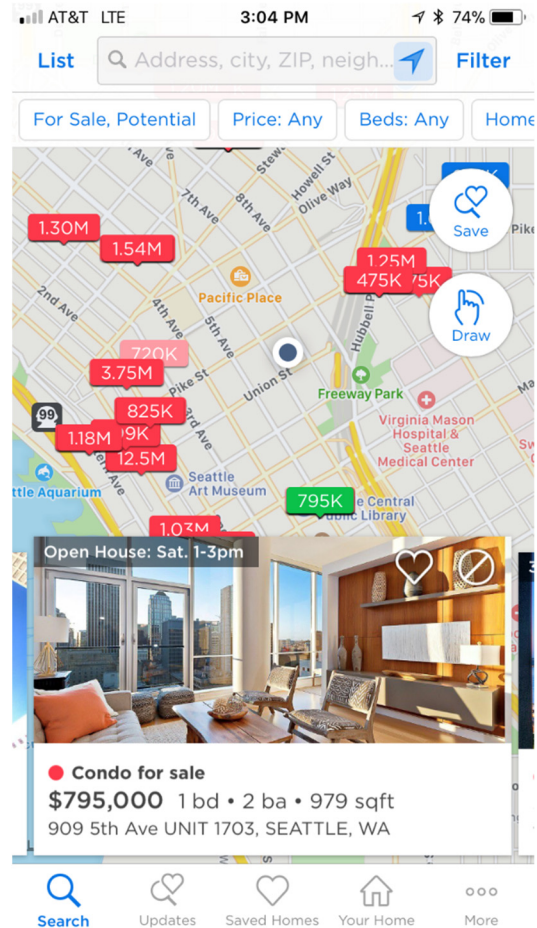
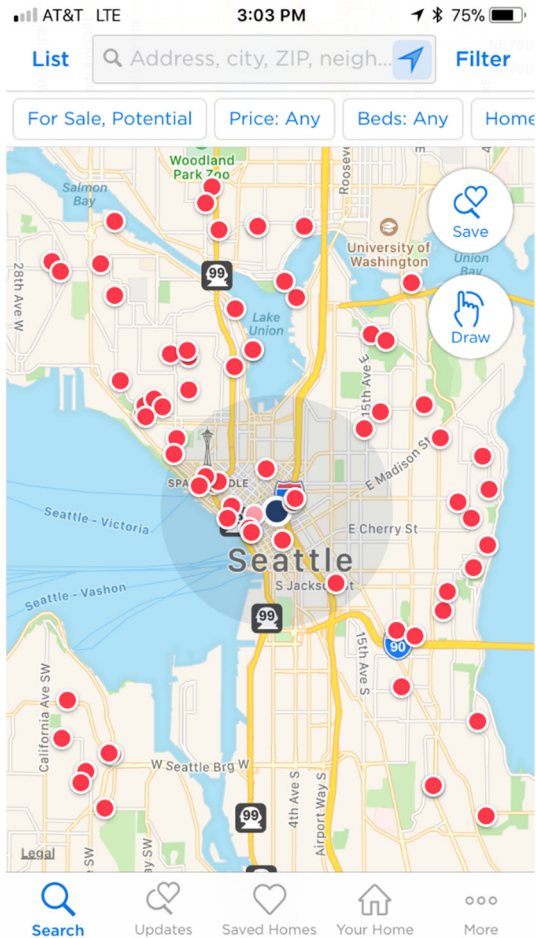
14 30. One such mobile application produced and distributed by the Zillow Group and
15 Zillow is the Zillow Real Estate mobile application for various mobile operating systems and its
16 respective server software and interfaces (the “Zillow Accused Product”). The Zillow Accused
17 Product contains software code that is distributed to users through the software download
18 marketplaces for installation on mobile phones. See <https://www.zillow.com/mobile/>. Such
19 mobile phones have a cellular-based data receiver and are configured to receive cellular-based
20 location data from that receiver.
21

22 31. When the Zillow Accused Product is installed on a mobile phone and used, it will
23 obtain the location data to identify a geographical area of interest nearby a user. The Zillow
24 Accused Product will generate a digital map of the area and obtain current status property
25 information for residential real estate in the area that is displayed on the mobile phone.
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The property information displayed on the mobile phone is obtained over an Internet connection from a remote data source maintained by the Zillow Group and Zillow and maintained in a database of information stored on the mobile phone. At least some of the property information obtained and stored by the Zillow Accused Product includes data from multiple listing services that include property location (e.g., address), market price, and market status (e.g., “for sale”).

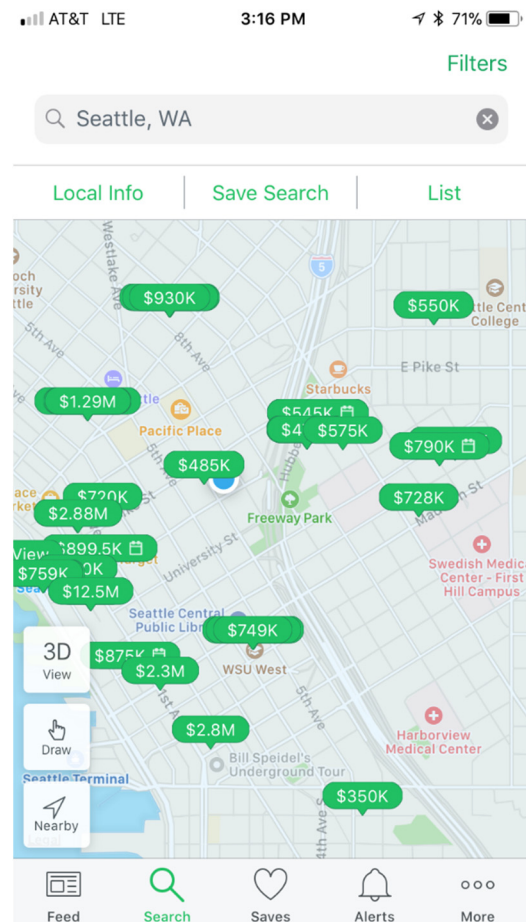
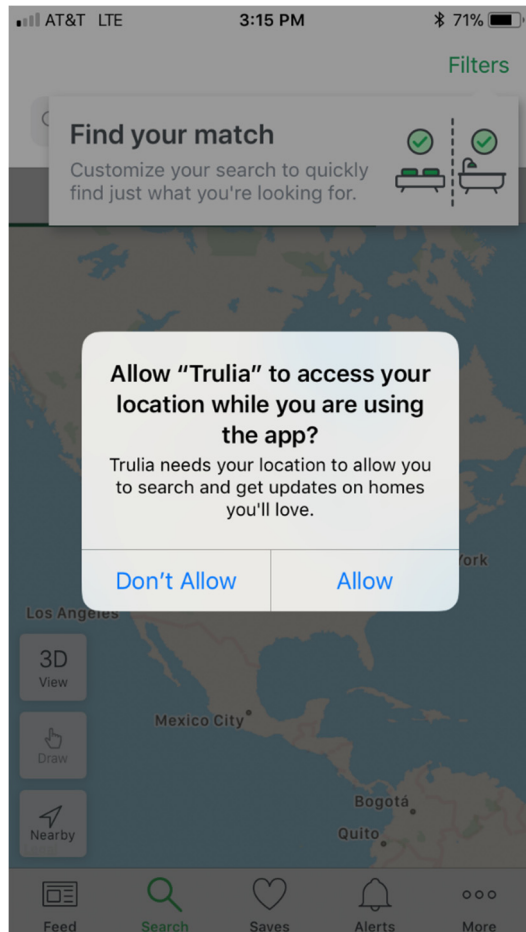
32. The Zillow Accused Product causes a property icon to be displayed on the mobile phone display screen at the location on the map of the property. Upon selection of a property icon by a user, the Zillow Accused Product will display property information such as price and status from MLS data that is associated with the property selected.



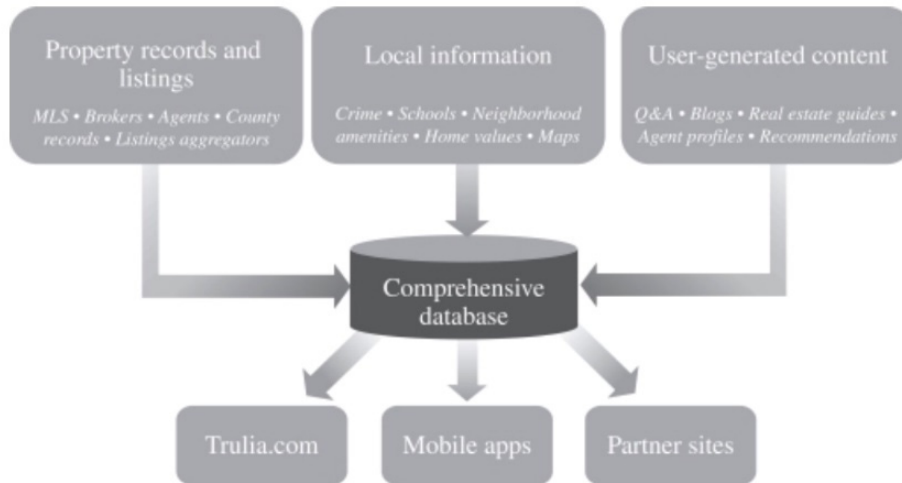
33. Another mobile application produced and distributed by Trulia is the Trulia Real Estate mobile application for various mobile operating systems and its respective server software and interfaces (the “Trulia Accused Product”). The Trulia Accused Product contains software code that is distributed to users through the software download marketplaces for installation on mobile phones. See <https://www.trulia.com/mobile/>. Such mobile phones have a cellular-based data receiver and are configured to receive cellular-based location data from that receiver.

34. When the Trulia Accused Product is installed on a mobile phone and used, it will obtain the location data to identify a geographical area of interest nearby a user when a user searches for properties. The Trulia Accused Product will generate a digital map of the area and obtain current status property information for residential real estate in the area that is displayed

on the mobile phone.

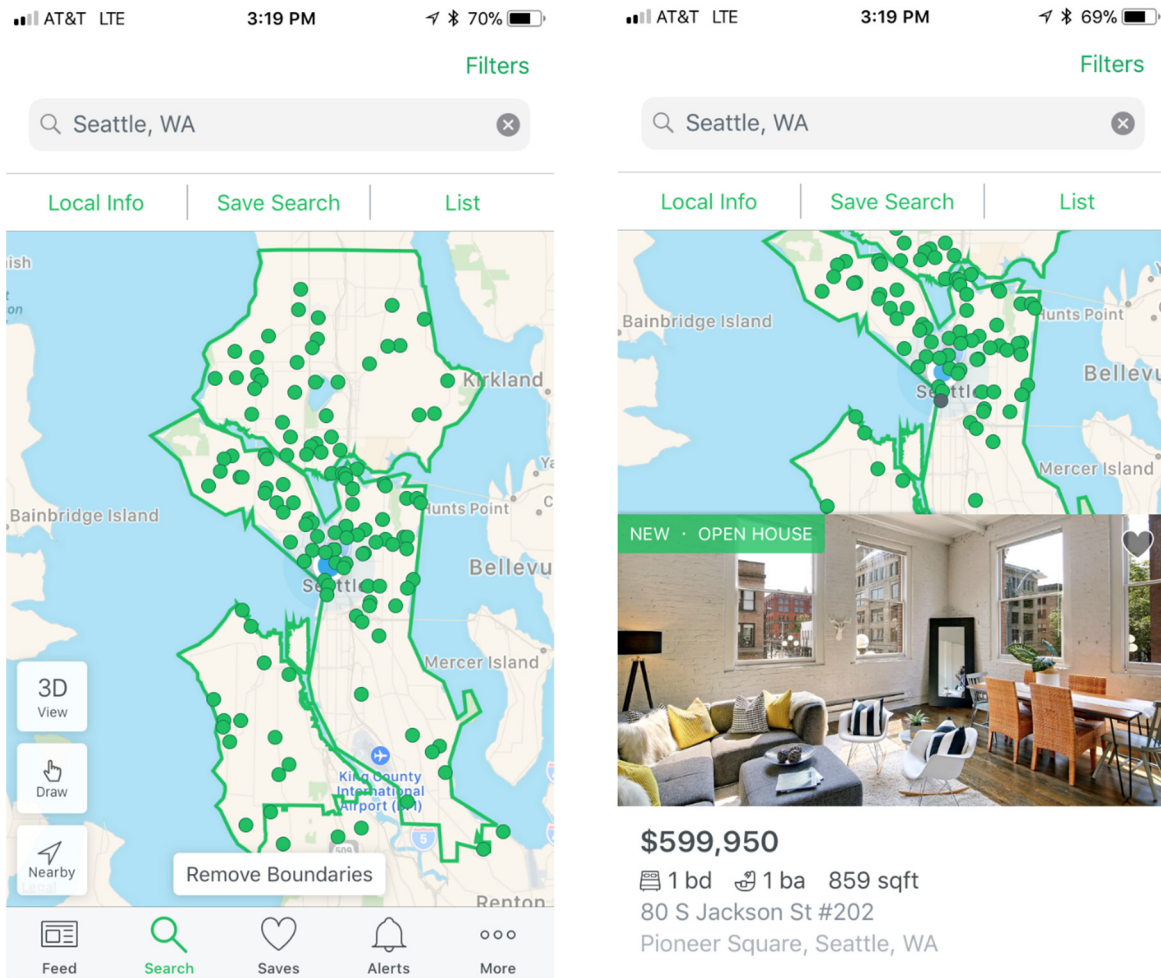


The property information displayed on the mobile phone is obtained over an Internet connection from a remote data source maintained by Trulia and maintained in a database of information stored on the mobile phone. At least some of the property information obtained and stored by the Trulia Accused Product includes data from multiple listing services that include property location (e.g., address), market price, and market status (e.g., "for sale").



2017 ZILLOW ANNUAL REPORT, p. 7.

35. The Trulia Accused Product causes a property icon to be displayed on the mobile phone display screen at the location on the map of the property. Upon selection of a property icon by a user, the Trulia Accused Product will display property information such as price and status from MLS data that is associated with the property selected.



36. Trulia has had knowledge of the '803 patent through its predecessor entity, Trulia, Inc., since at least September 2012 when contacted by Michael O'Shea and Trulia's infringement was identified.

37. Zillow has had knowledge of the '803 patent since at least February 2013 when contacted by Michael O'Shea and Zillow's infringement was identified.

38. Upon information and belief, Zillow Group has had knowledge of the '803 patent since at least 2014 when it was created and Zillow became a subsidiary of Zillow Group.

39. Defendants have also had knowledge of the '803 patent at least no later than the filing and service of this complaint.

40. Defendants encourage their customers through various channels, such as

1 marketing, advertisements, and their websites and applications to download and use the features
2 of both the Zillow Accused Product and Trulia Accused Product.

3 **COUNT I**

4 **(Infringement of United States Patent No. 6,636,803)**

5 41. Corus re-alleges and incorporates herein by reference the allegations set forth in
6 the preceding paragraphs of this Complaint.

7 42. Defendants directly infringe, literally or under the doctrine of equivalents, at least
8 claims 1, 14, and 30 of the '803 patent by, without authority, making, using, importing, selling,
9 or offering to sell, for example, the Zillow Accused Product and the Trulia Accused Product
10 (collectively "the Accused Products") within the United States, in violation of 35 U.S.C.
11 § 271(a).
12

13 43. Defendants indirectly infringe the '803 patent within the United States by
14 inducement under 35 U.S.C. § 271(b). For example, since learning of the '803 patent and by
15 failing to cease offering the Accused Products, Defendants have knowingly and intentionally
16 induced users of the Accused Products to directly infringe one or more claims of the '803 patent,
17 *inter alia*, by (1) providing instructions, information, and videos, for example on publicly
18 available websites, such as Zillow.com, trulia.com, the Zillow Help Center, and the Trulia
19 Learning Center, to explain how to acquire and use the Accused Products in an infringing
20 manner, including the use of the Accused Products in manners described in the foregoing
21 paragraphs, which are expressly incorporated herein, (2) touting these infringing uses of the
22 Accused Products in advertisements including but not limited to those on their websites and
23 other mobile app marketplace websites, and (3) directing and encouraging the actions of
24 subsidiaries, employees, and agents to directly infringe.
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- 1 e. Award treble damages and prejudgment interest to Corus under 35 U.S.C. § 284; and
2 f. Grant such other and further relief as this Court may deem just and proper.

3 **DEMAND FOR JURY TRIAL**

4 Corus hereby demands a jury trial on all issues appropriately triable by a jury.

5 DATED: June 11, 2018

6
7 **Kilpatrick Townsend & Stockton LLP**

8 *s/ Dario Machleidt*

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